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**CONFIDENTIAL***per Contracting Officer*

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April 7, 1958

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Ref: Contract RD-145

Registered Mail - Return Receipt Requested

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Dear Sir:

This will confirm the information presented in a recent conference between Government and [ ] technical and contracting personnel.

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A summary of costs incurred under Work Order No. 1 of Task Order No. 2 under the referenced contract indicates an expenditure of \$3,370.02 in excess of the estimated cost. A cost summary is attached. This over-run resulted both from doing additional work not anticipated when the cost estimate was made, and from an increase in overhead and G&A rates. Since technical reasons for the additional requirements were detailed for you informally at the conference, only the major problem areas are listed here, as follows:

1. Redesign audio unit to include hash filter.
2. Remove hash filter from demand unit.
3. Divide and hinge transport covers.
4. Late Delivery of Government Furnished Transport Units, necessitating the removal from the job of the programmed technician and the use of the senior engineer to complete the job.

Our overhead rate increased from [ ] provisional as explained in our letter of January 14, 1958. Unfortunately, that same letter did not mention an increase in G&A expense, which in actuality increased from the [ ] provisional. These increases are reflected in the costs detailed on the attached sheet.

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It is requested that the Contracting Officer approve the increase in cost, and, in addition, that the [ ] be approved for billing on the entire contract.

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We will be glad to supply you with any additional information which you may require.

Very truly yours,

[ ]  
Contract Administrator

Attachment - 1

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